

EXHIBIT B

Sixth Monthly Fee Application for the Period

November 1, 2001 through November 30, 2001

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: :
: Chapter 11
:
W.R. GRACE & CO., et al., : Case No. 01-01139 (JJF)
:
Debtors. : (Jointly Administered)
:
:
:

SIXTH APPLICATION OF THE BLACKSTONE GROUP
L.P. AS FINANCIAL ADVISOR TO THE DEBTORS AND
DEBTORS IN POSSESSION FOR ALLOWANCE OF
COMPENSATION FOR ACTUAL AND NECESSARY SERVICES
RENDERED AND FOR REIMBURSEMENT OF ALL
ACTUAL AND NECESSARY EXPENSES INCURRED
(FOR THE PERIOD NOVEMBER 1, 2001 THROUGH NOVEMBER 30, 2001)

SUMMARY SHEET

Name of Applicant: THE BLACKSTONE GROUP L.P.

Authorized to Provide
Professional Services to: Debtors

Date of Retention Order: June 22, 2001, effective April 2, 2001

Period for which
Compensation and
reimbursement is sought: November 1, 2001 – November 30, 2001

Amount of compensation sought as actual, reasonable and necessary:	<u>Total</u> \$175,000.00	<u>Less Holdback (@20%)</u> \$35,000.00
Amount of reimbursement of expenses sought as actual, reasonable and necessary:	\$7,477.10	

This is a x monthly interim final application

Summary Table:

Fee Application, Filing Date	Total Fees Requested	Amount of Holdback (20%)	Net Fees Requested	Total Expenses Requested	Objection Received/Deadline
First 4/2/2001 - 4/30/2001, 7/30/2001	\$169,166.67	\$33,833.33	\$135,333.33	\$0	None
First 5/1/2001 - 5/31/2001, 7/30/2001	\$175,000.00	\$35,000.00	\$140,000.00	\$984.00	None
First 6/1/2001 - 6/30/2001, 7/30/2001	\$175,000.00	\$35,000.00	\$140,000.00	\$6,679.95	None
Second 7/1/2001 - 7/31/2001, 8/27/2001	\$175,000.00	\$35,000.00	\$140,000.00	\$3,504.53	None
Third 8/1/2001 - 08/31/2001, 10/15/2001	\$175,000.00	\$35,000.00	\$140,000.00	\$16,124.84	None
Fourth 9/1/2001 - 09/30/2001, 11/21/2001	\$175,000.00	\$35,000.00	\$140,000.00	\$11,846.09	None
Fifth 10/1/2001 - 10/31/2001, 11/30/2001	\$175,000.00	\$35,000.00	\$140,000.00	\$5,042.39	None
Sixth 11/1/2001 - 11/30/2001	\$175,000.00	\$35,000.00	\$140,000.00	\$7,477.10	
TOTAL	\$1,394,166.67	\$278,833.33	\$1,115,333.33	\$51,658.90	

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Debtors.	:	(Jointly Administered)
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COMPENSATION FOR ACTUAL AND NECESSARY SERVICES
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(FOR THE PERIOD NOVEMBER 1, 2001 THROUGH NOVEMBER 30, 2001)

I. Background

The Blackstone Group L.P. ("Blackstone") respectfully represents as follows:

1. Blackstone is financial advisor to the above-captioned debtors and debtors in possession (collectively, the "Debtors").
2. On April 2, 2001 (the "Petition Date"), the Debtors filed a voluntary petition for reorganization under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330 (as amended, the "Bankruptcy Code"). The Debtors continue to operate their business and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.
3. On April 2, 2001, the Debtors applied to the Court for an order authorizing them to retain Blackstone pursuant to an engagement agreement dated February 15, 2001 (the "Engagement Agreement") as their financial advisor, effective as of the Petition Date.

4. On June 22, 2001, the Court entered an order (the "Retention Order") authorizing the Debtors to employ Blackstone as their financial advisor effective as of the Petition Date pursuant to the terms of the Engagement Agreement.

5. Pursuant to the Order Under 11 U.S.C. §§ 105 (a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members ("Procedures"), Blackstone submits this sixth application (the "Sixth Application") for the monthly period November 1, 2001 through November 30, 2001 (the "Sixth Application Period").

6. Blackstone submits this Sixth Application (i) for allowance of reasonable compensation for actual and necessary professional services by it as financial advisor to the Debtors in these cases for the Sixth Application Period, and (ii) for reimbursement of actual and necessary expenses incurred in representing the Debtors during that same period. This Sixth Application is made pursuant to the provisions of sections 330 and 331 of the Bankruptcy Code, Rule 2016 of the Federal Rules of Bankruptcy Procedure, the Retention Order and Delaware Bankruptcy Local Rule 2016-2.

7. Professional services and expenses for which compensation and reimbursement are sought were rendered and expended on behalf of the Debtors pursuant to chapter 11 of the Bankruptcy Code. Blackstone believes it is appropriate that it be compensated for the time spent and be reimbursed for the expenses incurred in connection with these matters.

8. For the Sixth Application Period, Blackstone has provided professional services to the Debtors and incurred fees for such services totaling \$175,000.00. This represents Blackstone's monthly fee of \$175,000.00 for the period November 1, 2001 through November

30, 2001. For the Sixth Application Period, Blackstone has incurred actual and necessary expenses in connection therewith totaling \$7,477.10. With respect to these specific amounts, Blackstone has received no payments as of the date of the Sixth Application.

9. As was set out in the Application of the Debtors for Entry of an Order Pursuant to 11 U.S.C. §§ 327(a) and 328(a) and Fed. R. Bankr. P. 2014(a), 2016 and 5002 Authorizing the Employment and Retention of the Blackstone Group L.P. as Financial Advisor to the Debtors and Debtors in Possession (the "Retention Application"), Blackstone provided advisory services to the Debtors prior to the Petition Date. Specifically, Blackstone served as financial advisor to the Debtors since February 2001.

II. The Blackstone Engagement

10. On April 2, 2001, the Debtors applied to the Court for an order authorizing them to retain Blackstone pursuant to the Engagement Agreement as their financial advisor effective as of April 2, 2001, the petition date (the "Effective Date"). Specifically, Blackstone was retained as Financial Advisor to provide the following professional services:

- (a) Assist in the evaluation of the Debtors' businesses and prospects;
- (b) Assist in the development of the Debtors' long-term business plan;
- (c) Analyze the Debtors' financial liquidity and financing requirements;
- (d) Assist in the estimation of asbestos claims including the preparation of an estimation model for payments and costs and the analyses of payment and funding scenarios;
- (e) Evaluate the Debtors' debt capacity and alternative capital structures;
- (f) Develop valuation, debt capacity and recovery analyses in connection with developing and negotiating a potential Restructuring;

- (g) Analyze various restructuring scenarios and the potential impact of these scenarios on the value of the Debtor and the recoveries of stakeholders impacted by the Restructuring;
- (h) Develop a negotiating strategy and assist in negotiations with the Debtors' creditors and other interested parties with respect to a potential Restructuring;
- (i) Value securities offered by the Debtor in connection with a Restructuring;
- (j) Make presentations to the Debtors' Board of Directors, creditor groups or other interested parties, as appropriate;
- (k) Provide expert witness testimony, as requested; and,
- (l) Provide such other advisory services as are customarily provided in connection with the analysis and negotiation of a Restructuring, as requested and mutually agreed.

11. Pursuant to the Engagement Agreement, the Debtors agreed to pay Blackstone the following fees in consideration for services to be rendered:

- (a) A monthly advisory fee (the "Monthly Fee") in the amount of \$175,000, with the first payment of such Monthly Fee payable upon the effective date and additional installments of such Monthly Fee payable in advance on monthly anniversaries of the effective date; and
- (b) A \$5,000,000 Restructuring Fee paid upon consummation of a Restructuring (as defined in the Engagement Agreement).

Furthermore, pursuant to the Engagement Agreement, the Debtors agreed to reimburse Blackstone for the reasonable and documented out-of-pocket expenses incurred by Blackstone in rendering the services to be provided under the Engagement Agreement.

12. For financial advisory services provided to the Debtors during the Sixth Application Period, Blackstone respectfully requests (a) approval of \$182,477.10 consisting of (i) monthly fees in the amount of \$175,000.00 and (ii) reimbursement of out-of-pocket expenses in the amount of \$7,477.10; and (b) authorization for the Debtors to pay Blackstone's approved fees and expenses in the amount of \$147,477.10 consisting of (i) monthly fees in the net amount

of \$140,000.00, representing total monthly fees of \$175,000.00, less a 20% holdback pursuant to the interim compensation procedures, and (ii) out-of-pocket expenses referred to in (a) above.

III. The Blackstone Team

13. The financial services set forth above were performed primarily by Pamela Zilly – Senior Managing Director; Richard Shinder – Vice President; David Blechman – Associate; and Michael Alexander – Analyst:

- (a) Pamela Zilly: Pamela Zilly is a Senior Managing Director of Blackstone. Prior to joining Blackstone Ms. Zilly was a Vice President of Chemical Bank where she divided her time between the Mergers and Acquisitions Group and the Restructuring and Reorganization Group. Since joining Blackstone, Ms. Zilly has provided services to debtors and creditors in both formal and informal restructuring engagements.
- (b) Richard Shinder: Richard Shinder is a Vice President of Blackstone. Prior to joining Blackstone Mr. Shinder was a Vice President at Lehman Brothers in its Leveraged Finance group. He has worked on a number of debtor and creditor restructuring engagements since joining Blackstone in 2000.
- (c) David Blechman: David Blechman is an Associate of Blackstone. Mr. Blechman joined Blackstone in 2000 after receiving his M.B.A. with honors from Columbia Business School.
- (d) Michael Alexander: Michael Alexander is an Analyst of Blackstone. Mr. Alexander joined Blackstone in July 1999 after graduating from the McIntire School of Commerce at the University of Virginia.

IV. Summary – Sixth Monthly Fee Application

14. The major services provided by Blackstone during this compensation period have included: (i) assisting with the performance of due diligence by the advisors to the Creditors' Committee, the Personal Injury Committee, the Asbestos Property Damages Committee and the Equity Committee including the review of current operating results, legacy liabilities, and tax issues; (ii) assisting the Debtors in the presentation of a planned acquisition; (iii) providing

quantitative and qualitative analysis in support of the Debtors' planned acquisition; (iv) assisting the Debtors with structuring retention and incentive compensation plans in the Chapter 11 proceedings; (v) assisting in the development of the Debtors' restructuring model; (vi) attending a Board Meeting and operating plan review meetings; and (vii) providing general strategic and business advice in connection with the bankruptcy.

15. Blackstone respectfully submits that the compensation requested for the Sixth Application Period for services rendered by Blackstone to the Debtors is fully justified and reasonable based upon (a) the time and labor required during the proceedings, (b) the complexity of the issues presented, (c) the skills necessary to perform the financial advisory services properly, (d) the preclusion of other employment, (e) the customary fees charged to clients in non-bankruptcy situations for similar services rendered, (f) time constraints required by the exigencies of the case, and (g) the experience, reputation and ability of the professionals rendering services.

16. Blackstone respectfully submits that the services it has rendered to the Debtors have been necessary and in the best interests of the Debtors and the estate and have furthered the goals of all parties in interest. Blackstone respectfully submits that under all of the criteria normally examined in Chapter 11 reorganization cases, the compensation requested by Blackstone is reasonable in light of the work performed by Blackstone to date in these cases.

17. The amount of the fees and expenses sought in this Sixth Application and Blackstone's billing processes are consistent with market practices in a bankruptcy context. Blackstone has never billed its clients based on the number of hours expended by its professionals. Accordingly, Blackstone does not have hourly rates for its professionals, and Blackstone's professionals generally do not maintain detailed time records of the work

- (b) Messengers, couriers, or overnight delivery are used by Blackstone to deliver hard copy documents relating to the client matter which require receipt on an expedited basis; otherwise, Blackstone uses the regular postal system. Any charges for either messengers, couriers, or overnight delivery are billed to a client at cost.
- (c) The outside financial research category consists of charges from outside services which supply, for a fee, financial documents to Blackstone. Financial research services generally consist of the retrieval of financial documents from regulatory agencies.
- (d) Blackstone bills photocopying charges at the rate of \$0.15 per page.
- (e) With respect to local travel, Blackstone's general policy enables employees to travel by private car service or taxi to and from meetings while rendering services to a client on a client related matter, for which the client is charged. This policy is based on Blackstone's determination that travel by private car service or taxi is the most efficient use of a professional's time. Blackstone employees are not permitted to charge personal commuting expenses to a client unless, for safety reasons, the employee is traveling after 9:00 p.m. and has been required to work late as a result of the time exigencies of that client's matters.
- (f) Blackstone bills its clients for time spent by its employees on its word processing system. The word processing system automatically allocates time to a client based upon the operator's "log-in" by a client matter number. Clients are charged at the personnel cost of \$70.00 per hour for the actual amount of time spent by the operator while rendering word processing services to the client; however, when word processing services are being used after normal business hours, the client is not billed for both an overtime charge and a word processing charge.
- (g) Blackstone bills outgoing facsimile charges at a rate of \$1.00 per page. Blackstone does not bill incoming facsimile charges.

19. Blackstone respectfully submits that the expenses for which it seeks allowance during the Sixth Application Period are necessary and reasonable both in scope and amount.

20. No prior application for the relief requested herein has been made.

21. All services for which compensation is requested by Blackstone were performed for and on behalf of the Debtors and not on behalf of any other person or stakeholder.

22. No agreement or understanding exists between Blackstone and any other entity for the sharing of compensation received or to be received for services rendered in or in connection with these proceedings.

23. Blackstone respectfully represents that its Sixth Application is in keeping with similar applications for the payment of administrative expenses in other cases.

Dated: New York, New York
January 24, 2002

THE BLACKSTONE GROUP L.P.
Financial Advisor to
W.R. Grace & Co.

By: Pamela D. Zilly

Pamela D. Zilly
Senior Managing Director
345 Park Avenue
New York, NY 10154
(212) 583-5000
(212) 583-5707 (fax)

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	:	
	:	Chapter 11
	:	
W.R GRACE & CO., <u>et al.</u>,	:	Case No. 01-01139 (JJF)
	:	
Debtors.	:	(Jointly Administered)
	:	
	:	
	:	

AFFIDAVIT

STATE OF NEW YORK)

) ss. :

COUNTY OF NEW YORK)

Pamela D. Zilly being duly sworn, deposes and says:

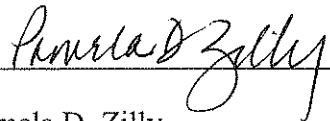
1. I am a Senior Managing Director of the firm of The Blackstone Group L.P. ("Blackstone"), which firm maintains offices for providing financial advisory services at 345 Park Avenue, New York, New York 10154. Blackstone is acting as Financial Advisor for the above captioned debtors and debtors in possession (collectively, the "Debtors") in the captioned case.

2. This affidavit is submitted pursuant to Delaware Bankruptcy Local Rule 2016-2 in connection with Blackstone's sixth application (the "Sixth Application") for an allowance of compensation for services rendered to the Debtors for the period from November 1, 2001 through November 30, 2001 (the "Sixth Application Period") in the amount of (i) \$175,000.00 in monthly fees and (ii) the reimbursement of expenses incurred in connection therewith in the sum of \$7,477.10.


3. All of the services for which compensation is sought by Blackstone were performed for and on behalf of the Debtors and not on behalf of any other person or stakeholder.

4. No agreement or understanding exists between Blackstone and any other entity for the sharing of compensation received or to be received for services rendered in or in connection with these cases.

5. I have reviewed and I understand the requirements of Delaware Bankruptcy Local Rule 2016-2 and I believe that this Sixth Application fully complies with all provisions contained in said Order.

By: 
Pamela D. Zilly
Senior Managing Director

Sworn to before me this
24th day of January 2002


Notary Public

HOLLY B. COHEN
NOTARY PUBLIC, State of New York
No. 01CO6003607
Qualified in Bronx County
Commission Expires March 9, 2002

EXHIBIT A

**THE BLACKSTONE GROUP L.P.
SUMMARY OF HOURS FOR W.R. GRACE AND CO.
NOVEMBER 1, 2001 - NOVEMBER 30, 2001**

Professional	Title	Hours
Pamela Zilly	Senior Managing Director	70.0
Richard Shinder	Vice President	43.0
David Blechman	Associate	72.5
Michael Alexander	Analyst	36.5
		<u>222.0</u>

THE BLACKSTONE GROUP L.P.
SUMMARY OF HOURS
NOVEMBER 1, 2001 - NOVEMBER 30, 2001

Professional	Date	Hours	Explanation
Pamela Zilly	11/01/01	7.5	Meeting with Equity Committee and Tort Committee advisors: review of Business Plan
Pamela Zilly	11/01/01	3.0	Travel to New York
Pamela Zilly	11/02/01	1.0	Discussion with D. Blechman re: update to Business Plan for year end results and 2002 operating plan
Pamela Zilly	11/02/01	1.0	Discussion with D. Blechman, M. Alexander re: transactions in ch11 examples
Pamela Zilly	11/02/01	0.5	Read motion re: retention of E. Warren
Pamela Zilly	11/02/01	2.5	Research cases' status and preparation of remarks for Board Meeting
Pamela Zilly	11/04/01	1.0	Preparation of remarks for 11/7/01 meeting
Pamela Zilly	11/05/01	0.5	Discussion with R. Shinder re: update to Business Plan, 2002 Plan
Pamela Zilly	11/05/01	1.0	Review draft compensation presentation
Pamela Zilly	11/06/01	3.0	Reconciliation of AA presentation and Blackstone compensation analysis
Pamela Zilly	11/06/01	3.0	Travel to Columbia
Pamela Zilly	11/06/01	1.0	Review AA presentation and prepare comments
Pamela Zilly	11/07/01	1.0	Meeting with B. McGowan, N. Bubnovich re: compensation analysis for Board
Pamela Zilly	11/07/01	3.5	Attend Board Meeting
Pamela Zilly	11/07/01	3.0	Travel to New York
Pamela Zilly	11/07/01	1.0	Meeting with R. Shinder, D. Blechman re: revised comp analysis
Pamela Zilly	11/08/01	0.5	Read Debtors' opposition re: fraudulent claims
Pamela Zilly	11/08/01	0.5	Call with D. Bernick re: Board meeting
Pamela Zilly	11/08/01	0.5	Call with D. Siegel re: case status
Pamela Zilly	11/08/01	0.5	Call with B. McGowan re: workplan on compensation review
Pamela Zilly	11/08/01	0.5	Read motion re EPA consent decree
Pamela Zilly	11/08/01	1.0	Review 3rd quarter results
Pamela Zilly	11/08/01	0.5	Call with P. Norris re: case status
Pamela Zilly	11/09/01	1.5	Call with financial advisors on 3rd quarter results
Pamela Zilly	11/09/01	0.5	Call with K. Coghlan re: case status
Pamela Zilly	11/09/01	0.5	Call with R. Shinder, F. Gilbert re: foregoing call
Pamela Zilly	11/09/01	1.0	Discussion with R. Shinder re: outcome of conference call, future update calls
Pamela Zilly	11/09/01	0.5	Read Debtors' motion re: Exxon summary judgement motion
Pamela Zilly	11/09/01	2.0	Calls with B. Tarola, S. Ahearn, M. Shelnitz re: Protein Genetics compromise of claims
Pamela Zilly	11/12/01	3.0	Reviewed material in Protein Genetics; calls with S. Ahearn re: same
Pamela Zilly	11/13/01	1.0	Grace RWG call
Pamela Zilly	11/14/01	0.5	Discussion with R. Shinder, D. Blechman re: P&M questions
Pamela Zilly	11/15/01	0.5	Call with CDG re: Q3 results
Pamela Zilly	11/15/01	1.0	Read memo of law in support of Zonolite motion to dismiss
Pamela Zilly	11/16/01	0.5	Discussion with R. Shinder re: Advisors comments re: legacy liabilities
Pamela Zilly	11/16/01	3.0	Review financial data re: forecast, industry comps
Pamela Zilly	11/19/01	1.5	Discussion with D. Blechman, M. Alexander re: Committee compensation presentation
Pamela Zilly	11/19/01	1.0	Review Business Plan re: 2002 update

THE BLACKSTONE GROUP L.P.
SUMMARY OF HOURS
NOVEMBER 1, 2001 - NOVEMBER 30, 2001

Professional	Date	Hours	Explanation
Pamela Zilly	11/20/01	1.5	Discussion with R. Shinder, D. Blechman re: Business Plan update
Pamela Zilly	11/20/01	1.5	Followup call with P&M re: 3rd quarter numbers
Pamela Zilly	11/21/01	0.5	Call with R. Shinder re: court developments
Pamela Zilly	11/21/01	0.5	Call with K. Coghlan re: Court developments
Pamela Zilly	11/29/01	1.5	Review financial data re: Business Plan, operating plans
Pamela Zilly	11/30/01	1.0	Call with P. Norris re: case status
Pamela Zilly	11/30/01	1.0	Call with D. Siegel re: court developments
Pamela Zilly	11/30/01	0.5	Call with K. Coghlan re: case status
Pamela Zilly	11/30/01	1.0	Review October operating report
Pamela Zilly	11/30/01	0.5	Discussion with M. Alexander re: research on chl1 cases
Pamela Zilly	11/30/01	2.5	Research re: industry transactions
Pamela Zilly	11/30/01	2.0	Analysis of 2002 operating plans
Pamela Zilly	11/30/01	0.5	Read motions, orders re: transfer of cases
		<u>70.0</u>	

THE BLACKSTONE GROUP L.P.
SUMMARY OF HOURS
NOVEMBER 1, 2001 - NOVEMBER 30, 2001

Professional	Date	Hours	Explanation
Richard Shinder	11/01/01	1.5	Business plan presentation preparation meeting
Richard Shinder	11/01/01	6.0	Presentation of Grace business plan to Bodily Injury and Equity Committees
Richard Shinder	11/01/01	3.0	Transit to New York
Richard Shinder	11/05/01	0.5	Discussion with P. Zilly re: update Business Plan
Richard Shinder	11/05/01	0.5	Call with F. Gilbert re: quarterly update
Richard Shinder	11/05/01	0.5	Preparation of Chi materials for Equity Committee
Richard Shinder	11/05/01	1.0	Review of "settled" environmental sites material
Richard Shinder	11/06/01	0.5	Call with F. Gilbert re: 11/9 meeting
Richard Shinder	11/07/01	1.0	Call with G. Boyer re: due diligence request
Richard Shinder	11/07/01	1.0	Meeting with P. Zilly, D. Blechman re: revise comp analysis
Richard Shinder	11/08/01	1.0	Review of Grace quarterly update presentation
Richard Shinder	11/08/01	1.5	Review of Grace quarterly financials
Richard Shinder	11/09/01	1.0	Quarterly update conference call (P&M, CDG, other financial advisors)
Richard Shinder	11/09/01	1.0	Discussion with P. Zilly re: conference call, advisors' future updates
Richard Shinder	11/09/01	0.5	Call with F. Gilbert re: CDG information request/quarterly call
Richard Shinder	11/09/01	0.5	Call with S. Zelac re: Project Chi update
Richard Shinder	11/09/01	1.5	Chapter 11 update call with Grace senior management
Richard Shinder	11/13/01	0.5	Call with F. Gilbert re: CDG information request
Richard Shinder	11/13/01	0.5	Work on setting up 11/16 call
Richard Shinder	11/13/01	1.0	Review of incentive compensation materials
Richard Shinder	11/14/01	1.0	Review of P&M Q3 quarterly update call follow-up diligence request
Richard Shinder	11/14/01	0.5	Discussion of above with P. Zilly, D. Blechman
Richard Shinder	11/16/01	0.5	Call with F. Gilbert re: P&M 3Q follow-up due diligence
Richard Shinder	11/16/01	0.5	Call with S. Cunningham re: 3Q call, legacy liability
Richard Shinder	11/16/01	0.5	Discussion with P. Zilly re: same
Richard Shinder	11/16/01	0.5	Review of Project Chi materials for update
Richard Shinder	11/16/01	0.5	Call with M. Burkin re: Project Chi
Richard Shinder	11/19/01	1.0	Read motion to dismiss
Richard Shinder	11/19/01	0.5	Review of Stroock & Stroock tax request
Richard Shinder	11/20/01	0.5	Review of P&M legacy correspondence
Richard Shinder	11/20/01	0.5	Call with F. Gilbert re: P&M correspondence
Richard Shinder	11/20/01	1.5	3Q financial update follow-up with P&M
Richard Shinder	11/20/01	0.5	Call with F. Gilbert re: logistics for OpPlan meetings without 11/26
Richard Shinder	11/20/01	1.5	Discussion with P. Zilly, D. Blechman re: Business Plan update
Richard Shinder	11/21/01	0.5	Drafted note to S. Cunningham re: legacy liabilities
Richard Shinder	11/21/01	5.0	Trip to Grace hearing in Wilmington, DE
Richard Shinder	11/21/01	0.5	Call with P. Zilly re: Court developments
Richard Shinder	11/26/01	1.0	Work on fee application

THE BLACKSTONE GROUP L.P.
SUMMARY OF HOURS
NOVEMBER 1, 2001 - NOVEMBER 30, 2001

Professional	Date	Hours	Explanation
Richard Shinder	11/29/01	1.5	Work on Chi update for M. Berkin (L. Tersigni & Co.)
		<u>43.0</u>	

THE BLACKSTONE GROUP L.P.
SUMMARY OF HOURS
NOVEMBER 1, 2001 - NOVEMBER 30, 2001

Professional	Date	Hours	Explanation
David Blechman	11/02/01	1.0	Discussion with P. Zilly re: update to Business Plan
David Blechman	11/02/01	1.0	Discussion with P. Zilly, M. Alexander re: ch11 transactions
David Blechman	11/05/01	1.5	Reviewed update on other asbestos bankruptcies
David Blechman	11/05/01	0.5	Update meeting with R. Shinder
David Blechman	11/06/01	1.0	Reviewed other asbestos bankruptcies
David Blechman	11/07/01	1.0	Meeting with R. Shinder, D. Blechman re: comp analysis
David Blechman	11/09/01	1.0	Reviewed 3rd quarter financials
David Blechman	11/09/01	1.0	Update calls with credit advisors re: 3rd Quarter
David Blechman	11/09/01	1.5	Reviewed compensation plan analysis by Anderson
David Blechman	11/13/01	1.5	Chapter 11 update call
David Blechman	11/13/01	1.5	Prepared fee app
David Blechman	11/14/01	3.0	Reviewed compensation analysis by Anderson, revise model
David Blechman	11/14/01	0.5	Discussion with P. Zilly, R. Shinder re: P&M due diligence
David Blechman	11/15/01	1.0	Read motion to dismiss
David Blechman	11/15/01	1.0	Call with CDG re: Q3 results follow-up
David Blechman	11/19/01	1.0	Reviewed compensation plan analysis by Anderson, revise model
David Blechman	11/19/01	1.5	Discussion with P. Zilly, M. Alexander re: Committee compensation presentation
David Blechman	11/19/01	1.0	Work on fee app.
David Blechman	11/20/01	1.0	Reviewed materials for hearing 11/21
David Blechman	11/20/01	1.5	P&M due diligence call
David Blechman	11/20/01	2.0	Reviewed legal filings
David Blechman	11/21/01	2.5	Transit to Wilmington, DE for hearing
David Blechman	11/21/01	0.5	Hearing cancelled
David Blechman	11/21/01	2.5	Transit back to NYC from hearing in Wilmington
David Blechman	11/21/01	1.0	Conversation with J. Paul re: comp
David Blechman	11/26/01	3.5	Travel to Cambridge for operations plan meeting
David Blechman	11/26/01	9.5	Participated in operations plan meeting
David Blechman	11/27/01	7.5	Participated in operations plan meeting
David Blechman	11/27/01	3.5	Transit from Cambridge, MA
David Blechman	11/28/01	3.0	Transit to Columbia, MD
David Blechman	11/29/01	10.0	Participated in operations plan meeting
David Blechman	11/29/01	3.0	Transit to New York
		<u>72.5</u>	

THE BLACKSTONE GROUP L.P.
SUMMARY OF HOURS
NOVEMBER 1, 2001 - NOVEMBER 30, 2001

Professional	Date	Hours	Explanation
Michael Alexander	11/02/01	1.0	Discussion with P. Zilly, D. Blechman re: transaction in ch11
Michael Alexander	11/04/01	3.0	Updated bankruptcy journal for existing cases
Michael Alexander	11/04/01	2.5	Added new cases to bankruptcy journal
Michael Alexander	11/05/01	3.5	Continued work on bankruptcy journal, discussed with D. Blechman
Michael Alexander	11/07/01	1.0	Discussed business plan with S. Farnsworth
Michael Alexander	11/07/01	1.5	Revised business plan to reflect errata
Michael Alexander	11/08/01	4.5	Analyzed joint ventures consummated in bankruptcy and related court requirements
Michael Alexander	11/09/01	1.0	Update calls with creditor advisors, D. Blechman re: 3rd Quarter
Michael Alexander	11/09/01	2.0	Reviewed compensation plan
Michael Alexander	11/13/01	1.5	Chapter 11 update call
Michael Alexander	11/14/01	2.5	Reviewed compensation analysis
Michael Alexander	11/14/01	1.0	Call with CDG, D. Blechman re: 23 results follow-up
Michael Alexander	11/19/01	1.5	Discussion with P. Zilly, D. Blechman re: comp presentation
Michael Alexander	11/20/01	1.5	Reviewed materials for 11/21 hearing
Michael Alexander	11/20/01	1.5	P&M due diligence call
Michael Alexander	11/20/01	2.5	Reviewed legal filings
Michael Alexander	11/30/01	4.5	Analysis of CH11 cases re: transactions in bankruptcy
		<u><u>36.5</u></u>	

EXHIBIT B

W.R. GRACE
Expense Detail
Processed Through
November 30, 2001
2635-T

Word Processing

Alexander	10/1-31/01	19.83	
Alexander	10/1-31/01	32.67	
Alexander	10/1-31/01	732.67	
Subtotal - Word Processing			\$ 785.17

Car Services**Elite**

Office Services	10/25/01	33.64	
Shinder	10/04/01	24.47	
Shinder	10/11/01	24.47	
Shinder	10/17/01	24.47	
Zilly	10/10/01	24.98	
Zilly	10/31/01	20.39	
Zilly	11/08/01	80.54	
Subtotal - Car Services			232.96

Travel/Local

Blechman	09/04/01	5.50	
Blechman	09/05/01	5.00	
Blechman	09/22/01	6.00	
Blechman	10/22/01	8.00	
Blechman	10/22/01	9.00	
Blechman	10/22/01	31.00	
Shinder	10/10/01	5.00	
Shinder	10/10/01	14.50	
Shinder	10/10/01	35.00	
Shinder	10/22/01	12.50	
Shinder	10/22/01	13.40	
Shinder	10/25/01	11.80	
Shinder	10/31/01	15.00	
Shinder	10/31/01	17.00	
Shinder	10/31/01	32.00	
Shinder	11/01/01	14.20	
Shinder	11/01/01	18.00	
Subtotal - Travel/Local			252.90

W.R. GRACE
Expense Detail
Processed Through
November 30, 2001
2635-T

Travel Out-Of-Town

Zilly	10/10/01	35.00	
Zilly	10/10/01	35.00	
Subtotal - Travel Out-Of-Town			70.00

Travel Railroad

Shinder	10/09/01	238.00	
Zilly	10/09/01	238.00	
Zilly	10/12/01	(67.00)	
Subtotal - Travel Railroad			409.00

Meals

Alexander	06/30/01	20.00	
Alexander	07/05/01	20.00	
Alexander	07/16/01	20.00	
Alexander	07/18/01	20.00	
Alexander	07/21/01	20.00	
Alexander	07/26/01	20.00	
Alexander	08/07/01	20.00	
Alexander	08/28/01	20.00	
Alexander	08/30/01	20.00	
Blechman	07/12/01	15.42	
Blechman	08/24/01	14.88	
Blechman	08/31/01	18.02	
Blechman	09/05/01	13.10	
Blechman	09/10/01	10.88	
Otero	09/05/01	10.44	
Publishing Services	10/10/01	7.43	
Shinder	07/17/01	20.00	
Shinder	07/28/01	20.00	
Shinder	08/30/01	20.00	
Subtotal - Meals			330.17

Research**In-House**

Alexander	11/1-15/01	96.68	
Subtotal - In-House			96.68

W.R. GRACE
Expense Detail
Processed Through
November 30, 2001
2635-T

Multex

Alexander	11/1-15/01	188.92	
Shinder	10/1-15/01	<u>17.98</u>	
Subtotal - Multex			206.90

Disclosure

Alexander	11/1-15/01	<u>191.54</u>	
Subtotal - Disclosure			191.54

Dow Jones

Alexander	11/1-15/01	<u>865.19</u>	
Subtotal - Dow Jones			865.19

Subtotal - Research			1,360.31
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Communications**Federal Express**

Alexander	10/25/01	16.96	
Alexander	11/12/01	17.47	
Zilly	11/12/01	14.56	
Zilly	11/12/01	<u>15.90</u>	
Subtotal - Communications			64.89

Photocopying

Alexander	09/28/01	3,944.90	
Alexander	10/19-23/01	<u>26.80</u>	
Subtotal - Photocopying			<u>3,971.70</u>

Total Expenses			<u>\$ 7,477.10</u>
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